

July 26, 2024

Via <https://www.surveymonkey.com/r/AQBComments>

Brad Swinney
Chair, Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street, NW
Suite 1111
Washington, DC 20005

RE: Appraisal Subcommittee Staff Comments on the May 28, 2024, Concept Paper-
Assessment of College Degree Requirements within the *Criteria*

Dear Chair Swinney:

The Appraisal Subcommittee (ASC) staff appreciates the opportunity to comment on the Appraiser Qualifications Board's (AQB) May 28, 2024, Concept Paper-Assessment of College Degree Requirements within the *Criteria*. The following comments reflect the ASC staff's opinions, not those of the ASC or its member agencies.

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI), assigned the ASC with the responsibility to monitor and review the practices, procedures, activities, and organizational structure of The Appraisal Foundation (Foundation) and its boards.¹ Title XI also assigned the ASC to monitor State appraiser certifying and licensing agencies to determine whether their policies, practices, and procedures are consistent with Title XI.² Accordingly, ASC staff has reviewed the concept paper and offers the following comments:

Concerning the question of college degree requirements in the Real Property Appraiser Qualification Criteria (Criteria), the ASC staff recommends examining such substantive changes using a wide lens, including input from consumer protection, fair lending, and fair housing experts and the public. Furthermore, as former Foundation President David Bunton suggested during the final Appraisal Bias Hearing, ASC staff recommend the AQB consult with employment discrimination law experts and organizational psychologists for a thorough review of the Criteria.

More specifically, the question of whether a college degree or course work should be a minimum qualification requirement for an appraiser credential should include input from diverse professional qualification analysts, and that analysis should be part of a more all-encompassing

¹ Title XI § 1103(b) (12 U.S.C. § 3332(b)).

² Title XI § 1103(a) (12 U.S.C. § 3332(a)).

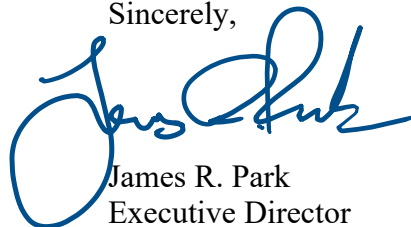
examination of the qualifications necessary to be a minimally qualified appraiser. In considering the need for a college degree or education, we believe it is important to correlate these requirements' impact on the quality of appraisals. Judging quality may be difficult to ascertain since many appraisers were credentialed before the college degree or education requirements became effective in 2008. This is further complicated by the fact that modernization of appraisal software, availability of data, and underwriting processes could have played a role in improving appraisal quality. Therefore, ASC staff suggest that the AQB conduct research to determine if there has been an appreciable change in the quality of appraisals or an improvement in examination scores, specifically due to the college degree or education, since the requirement became effective in 2008. Further, TAF should be mindful of not relying too heavily upon prior rationale supporting the current college degree requirement if the rationale is outdated or no longer relevant.

When considering any change to the Criteria, the ASC staff urges the AQB to consider the potential unjustified disparate impact that the current Criteria may be having on underrepresented groups, how that impact may have contributed to the lack of racial diversity in the appraisal profession, and to evaluate less discriminatory alternatives in consultation with employment discrimination experts. To assist in this regard, ASC staff recommend that the AQB begin collecting voluntary demographic information on applicants to help determine whether any current or future changes to the college degree requirements do not result in a disparate impact to traditionally underrepresented groups.

We are also concerned about the process underway in which each of the three facets of the Criteria (i.e., education, experience, examination) are being reviewed one at a time. This could take several years to complete, which is unreasonable. By only focusing on one criterion at a time, the AQB might miss the possibility that there is an issue with the national exam or with both the college degree or education requirement and the national exam, which explains this outcome. Therefore, ASC staff recommends the AQB consider all three components of the Criteria concurrently and provide an anticipated schedule for completion of the process.

As the AQB has announced it is performing a comprehensive review of the Criteria, the ASC staff suggests that the AQB focus on the knowledge, skills, and abilities required of a real estate appraiser and the best ways to obtain those skills or demonstrate competency. The ASC staff further encourages the AQB to enlist diverse occupational analysts to assist in determining the knowledge, skills, and abilities necessary for appraisers today and those anticipated in the foreseeable future. We believe it is critically important to always keep the goal in mind of establishing qualifications for appraisers that will yield credible appraisals.

Sincerely,



James R. Park
Executive Director